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COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

Name of company

* East London Bus & Coach Company Limited (the "**Company**").

Date of creation of the charge

1 December 2006.

Description of the instrument (if any) creating or evidencing the charge (note 2)

A mortgage dated 1 December 2006 (the "**Mortgage**") made by the Company in favour of Dresdner Bank AG, Niederlassung Luxemburg as trustee for the Secured Parties on the terms and conditions set out in the Intercreditor Agreement (the "**Security Trustee**").

Amount secured by the mortgage or charge

See Schedule 2 (Amount Secured by the Mortgage).

See Schedule 1 (Definitions) for definitions used in this Form 395 that are not defined in the body of this Form 395.

Names and addresses of the mortgagees or persons entitled to the charge

Dresdner Bank AG, Niederlassung Luxemburg of 6A, Route de Trèves, L-2633 Senningerberg, Luxembourg as Security Trustee, and its assignees, transferees and successors from time to time.

Postcode

Presentor's name address and
reference (if any):
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
(Via CH London Counter)

UK/1087801/01

Time critical reference
YCE/70-40049164/RCES

For official Use (06/2005)
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

The Company charged with full title guarantee in favour of the Security Trustee for the payment and discharge of the Secured Obligations, by way of first legal mortgage the Mortgaged Property.

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Particulars as to commission allowance or discount (note 3)

None.

Signed CLIFFEND CHANCE LP

Date 18 December 2006

On behalf of ~~XXXXXXXX~~ [mortgagee/chargee] †

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

*Schedules to Form 395 relating to the Mortgage entered into
by East London Bus & Coach Company Limited (Company No. 02328402)
dated 1 December 2006*

SCHEDULE 1

DEFINITIONS

In this Form 395:

"Bidco" means East London Bus Group Limited (formerly known as Lucy Investments Limited), a company incorporated in England and Wales with registered number 5807032 and whose current registered office is at Level 30, City Point, One Ropemaker Street, London EC2Y 9HD (to be changed to 2-4 Clements Road, Ilford, Essex, IG1 1BA).

"Borrower" means, in respect of the Junior Facility Agreement, the Parent and in respect of the Senior Facilities Agreement, Bidco, the Company or an Additional Borrower unless it has ceased to be a Borrower in accordance with clause 31 (*Changes to the Obligors*) of the Senior Facilities Agreement and **provided that** the Parent shall not be entitled to be a Borrower in respect of the revolving credit facility made available under the Senior Facilities Agreement as described in sub-clause 2.1.1(c) (*The Facilities*) of the Senior Facilities Agreement.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Trustee.

"Excluded Properties" means the freehold and leasehold property in England and Wales specified in Schedule 4 (*Excluded Properties*).

"Facilities Agreements" means the Senior Facilities Agreement and the Junior Facility Agreement.

"Finance Document" means any Senior Finance Document, any Junior Finance Document and any Hedging Document.

"Finance Party" means any Senior Finance Party, any Junior Finance Party and any Hedging Counterparty.

"Guarantor" means the Parent, Bidco, Propco and the Company or an Additional Guarantor unless it has ceased to be a Guarantor in accordance with clause 31 (*Changes to the Obligors*) of the Facilities Agreements.

"Hedging Counterparty" means:

- (a) Dresdner Bank AG and Macquarie Bank Limited (the **"Original Hedging Counterparties"**); and
- (b) Macquarie Bank Limited (or Affiliate (as defined in the Senior Facilities Agreement) of Macquarie Bank Limited) or any other Senior Lender (as defined in the Intercreditor Agreement) (or Affiliate of a Senior Lender) which has become a Hedging Counterparty in accordance with clause 30.2 (*Accession of Hedging Counterparties*) and clause 30.3 (*Assignments and transfers by Hedging Counterparties*) of the Intercreditor Agreement,

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which in each case has not ceased to be a Hedging Counterparty in accordance with the Intercreditor Agreement.

"Hedging Document" means each document entered into or to be entered into between an Obligor and a Hedging Counterparty.

"Intercreditor Agreement" means the intercreditor agreement dated 30 August 2006 and made between, among others, Bidco, the Parent, the Senior Lenders (as defined in the Intercreditor Agreement), Dresdner Bank AG, Niederlassung Luxemburg as senior agent, common security agent, junior security agent, common junior security agent and junior agent, Dresdner Bank AG London Branch as issuing bank, the Original Hedging Counterparties, the Junior Lenders (as defined in the Intercreditor Agreement), East London Bus Group Holdings Limited (formerly known as Lucy Holdings Limited) and the companies listed in schedule 3 (*The Original Intercompany Lenders and Borrowers*) of the Intercreditor Agreement as original intercompany lenders and original intercompany borrowers as amended, varied, novated or supplemented from time to time.

"Junior Facility Agreement" means the junior facility agreement dated 30 August 2006 between, among others, Bidco, the Parent, Dresdner Kleinwort Limited (formerly known as Dresdner Kleinwort Wasserstein Limited) as arranger, Dresdner Bank AG, Niederlassung Luxemburg as agent, the financial institutions named therein as original lenders and the Security Trustee as amended, varied, novated or supplemented from time to time.

"Junior Finance Documents" means the Junior Facility Agreement, the Mandate Letter, any Accession Letter, any Compliance Certificate, any Fee Letter, the Hedging Letter, the Intercreditor Agreement, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a "Junior Finance Document" by Dresdner Bank AG, Niederlassung Luxemburg as agent under the Junior Facility Agreement and the Parent but excluding the Hedging Documents. Unless otherwise defined in this Schedule 1, each such term in this definition shall have the meaning ascribed to it in the Junior Facility Agreement.

"Junior Finance Parties" means Dresdner Bank AG, Niederlassung Luxemburg as agent under the Junior Facility Agreement, Dresdner Kleinwort Limited (formerly known as Dresdner Kleinwort Wasserstein Limited) as arranger under the Junior Facility Agreement, the Security Trustee or a Lender (as defined in the Junior Facility Agreement) but excluding the Hedge Counterparties.

"Mortgaged Property" means:

- (a) the property specified in Schedule 3 (*Details of Mortgaged Property*); and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property, which belong to the Company,

and includes all Related Rights.

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"Obligor" means the Parent, Bidco, Propco, the Company, a company which becomes a Borrower under the Senior Facilities Agreement in accordance with clause 31 (*Changes to the Obligors*) of the Senior Facilities Agreement (an **"Additional Borrower"**) and a company which becomes a Guarantor under the Facilities Agreements in accordance with clause 31 (*Changes to the Obligors*) of the Facilities Agreements (an **"Additional Guarantor"**).

"Parent" means East London Bus Group Ventures Limited (formerly known as Lucy Ventures Limited) a company registered in England and Wales with registered number 5807034 and having its current registered office at Level 30, City Point, 1 Ropemaker Street, London EC2Y 9HD (to be changed to 2-4 Clements Road, Ilford, Essex, IG1 1BA).

"Propco" means East London Bus Group Property Investments Limited (formerly known as Lucy Property Investments Limited), a company incorporated in England and Wales with registered number 5810402 and whose current registered office is at Level 30, City Point, One Ropemaker Street, London EC2Y 9HD (to be changed to 2-4 Clements Road, Ilford, Essex, IG1 1BA).

"Real Property" means:

- (a) any freehold, leasehold or immovable property (including the freehold and leasehold property in England and Wales specified in Schedule 3 (*Details of Mortgaged Property*)) now or at any time in the future belonging to the Company except:
 - (i) any Real Property acquired as temporary replacement for all or part of the property interests owned by the Company, South East London & Kent Bus Company Limited and Propco at Waterden Road, Hackney for a period of two years or less;
 - (ii) rack-rented leases; and
 - (iii) the Excluded Properties; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property,

and includes all Related Rights.

"Receiver" means a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of all the assets and undertaking of the Company which from time to time are the subject of the security created or expressed to be created in favour of the Security Trustee by or pursuant to the debenture dated 1 December 2006 made by the Company in favour the Security Trustee (the **"Debenture"**) and any mortgage or legal charge in respect of all or any part of the Real Property in accordance with clause 6 (*Further Assurance*) of the Debenture substantially in the form of schedule 6 (*Form of Legal Mortgage*) of the Debenture and that term will include any appointee made under joint and/or several appointment.

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"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

"Secured Party" means any Finance Party from time to time party to any Finance Document and any Receiver or Delegate.

"Senior Facilities Agreement" means the senior facilities agreement dated 30 August 2006 between, among others, Bidco, the Parent, Dresdner Kleinwort Limited (formerly known as Dresdner Kleinwort Wasserstein Limited) as arranger, Dresdner Bank AG, Niederlassung Luxemburg as agent, the financial institutions named therein as the original lenders and the Security Trustee as amended, varied, novated or supplemented from time to time.

"Senior Finance Documents" means the Senior Facilities Agreement, the Mandate Letter, any Accession Letter, any Ancillary Document, any Compliance Certificate, any Fee Letter, the Hedging Letter, the Intercreditor Agreement, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request, any other document documenting new senior commitments and any other document designated as a "Senior Finance Document" by Dresdner Bank AG, Niederlassung Luxemburg as agent under the Senior Facilities Agreement and the Parent but excluding the Hedging Documents. Unless otherwise defined in this Schedule 1, each such term in this definition shall have the meaning ascribed to it in the Senior Facilities Agreement.

"Senior Finance Parties" means Dresdner Bank AG, Niederlassung Luxemburg as agent under the Senior Facilities Agreement, Dresdner Kleinwort Limited (formerly known as Dresdner Kleinwort Wasserstein Limited) as arranger under the Senior Facilities Agreement, the Security Trustee, a Lender, the Issuing Bank or an Ancillary Lender but excluding the Hedging Counterparties. The terms "Lender", "Issuing Bank" and "Ancillary Lender" shall have the meaning ascribed to such term in the Senior Facilities Agreement.

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985.

"Targets" means the Company and South East London & Kent Bus Company Limited, a company incorporated under the laws of England and Wales with registered number 02328595.

"Target Group" means each of the Targets and their respective Subsidiaries.

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SCHEDULE 2

AMOUNT SECURED BY THE MORTGAGE

All present and future moneys, debts and liabilities, due, owing, or incurred by the Obligors to any Finance Party under or pursuant to any Finance Document including any liability in respect of any further advances made under any Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) (the "**Secured Obligations**") when due and the Company shall pay to the Security Trustee when due and payable every sum at any time owing, due or incurred by the Company to the Security Trustee (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of any such liabilities provided that the security constituted by the Mortgage shall not extend to or include any liability or sum which would (a) but for this proviso, cause such security to be unlawful or prohibited by any applicable law and (b) when aggregated with all present and future moneys, debts and liabilities, due, owing, or incurred by the Target Group to each Finance Party under or pursuant to any and all Finance Documents including any liability in respect of any further advances made under any Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise), exceed £10,000,000 in aggregate at any time.

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SCHEDULE 3

DETAILS OF MORTGAGED PROPERTY

Description of Property	Title Number
Bus Garage, Longbridge Road, Barking (Freehold)	EGL321547
Bus Garage, Longbridge Road, Barking (Long Leasehold)	EGL321549

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SCHEDULE 4

EXCLUDED PROPERTIES

Description of Property	Title Number/Duration of Lease (where unregistered)
Hackney Bus Depot, 44 Waterden Road, Hackney (Freehold)	NGL402842
Bus Garage, North Street, Romford, Essex (Freehold)	EGL321255
Bus Garage, High Road, Leyton, London (Freehold)	EGL320250
Bus Garage, Fairfield Road, Bow, London (Freehold)	123404
Bus Garage, 40 Redclyffe Road, Upton Park London (Freehold)	EGL321246
2-4 Clements Road, Ilford Essex (Freehold)	EGL177869
Hackney Bus Depot, 44 Waterden Road, Hackney (Leasehold)	EGL502695
Bus Garage, North Street, Romford, Essex (Leasehold)	EGL502673
Bus Garage, High Road, Leyton London (Leasehold)	EGL503807
Bus Garage, Fairfield Road, Bow, London (Leasehold)	EGL503808
Bus Garage 40 Redclyffe Road, Upton Park London (Leasehold)	EGL503806
2-4 Clements Road, Ilford Essex (Leasehold)	EGL502646
Hackney Stadium, Waterden Road (Leasehold)	1 year from 01/03/06
Stability Works, Waterden Road (Leasehold)	10 years from 02/04/02

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02328402

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MORTGAGE DATED THE 1st DECEMBER 2006 AND CREATED BY EAST LONDON BUS & COACH COMPANY LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE OBLIGORS TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18th DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st DECEMBER 2006.

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THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House
— for the record —